

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



## **CENTER FOR DRUG and HEALTH PLAN CHOICE**

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DATE: July 21, 2009

TO: Part D Sponsors

FROM: Teresa DeCaro, RN, M.S., Acting Director, Medicare Drug and Health Plan  
Contract Administration Group

Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Final Model Low-Income Subsidy (LIS) Rider and Final Transition Notice for CY  
2010

Attached are the final Model LIS Rider and the final Transition Notice for CY 2010 with accompanying checklists.

We have made nominal changes to the current LIS rider. Specifically, the rider has been revised to:

- Reflect CY 2010 benefit parameters (premium, deductible, copays) applicable to low-income subsidy eligible individuals.
- Simplify the language so that it is more beneficiary-friendly.
- Clarify that plans, at their option, may modify the premium and copayment amounts to reflect any wraparound coverage provided by a State Pharmaceutical Assistance Program in which a member is enrolled.

The final Transition Notice for CY 2010 has been revised to take into account comments we received on the draft version of the Transition Notice released in April 2009. Both industry and advocate groups provided CMS with their comments. Changes from the previous draft version include:

- Addition of specific instructions as to when the model should be used, i.e., when a member receives a transition supply due to the drug being non-formulary drug, or due to the drug being subject to prior authorization, step therapy, generic first fill, or quantity limits.

- Expansion of the introductory paragraph to provide additional information to the member regarding the transition supply.
- Insertion of OPTIONAL language for the differentiation between non-long-term care (LTC) members and LTC members.
- Addition of language to indicate that even when the transition supply is provided for a non- formulary or formulary drug, this supply may be limited to quantity limits due to safety reasons.
- Addition of language explaining what prior authorization and step therapy mean.
- Inclusion of a new “Reason for Notification” for transition supplies related to a plan’s generic first fill policy.

If you have any questions regarding these notices, please forward your questions to our marketing e-mail box - [Marketing@cms.hhs.gov](mailto:Marketing@cms.hhs.gov).